Federal Communications Commission 45 L St., N.E. Washington, D.C. 20554

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> DA 22-202 February 28, 2022

## DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CERTAIN AUTHORIZATIONS OF COMMNET FOUR CORNERS, LLC TO INVENTIVE WIRELESS OF NEBRASKA, LLC DBA VISTABEAM

## NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 22-52

Comments Due: March 14, 2022

Reply Comments Due: March 21, 2022

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application,<sup>1</sup> filed by Commnet Four Corners, LLC (Commnet) and Inventive Wireless of Nebraska, LLC dba Vistabeam (Vistabeam) (together, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission's rules, requesting consent to transfer Commnet's Connect America Fund (CAF) Phase II support obligations for its designated census blocks in Wyoming (Study Area Code 519017) (Assigned Census Blocks)<sup>2</sup> to Vistabeam.<sup>3</sup>

Commnet, a Delaware Limited Liability Company (LLC), provides voice and broadband services in portions of the western United States and is an eligible telecommunications carrier (ETC) for the Assigned Census Blocks in Wyoming.<sup>4</sup> Commnet Wireless, LLC, a Delaware LLC, owns 100% of Commnet, and ATN International, Inc., a Delaware corporation, indirectly owns 97.9% of

<sup>1</sup> See Application of Commnet Four Corners, LLC, Assignor, and Inventive Wireless of Nebraska, LLC dba Vistabeam, LLC, Assignee, for Consent to Assignment of Domestic Section 214 Authorization, WC Docket No. 22-52 (filed Feb. 3, 2022),

https://ecfsapi.fcc.gov/file/10203384600268/Vistabeam%20Commnet%20Section%20214%20Transfer%20Application.pdf (Application).

<sup>&</sup>lt;sup>2</sup> Applicants state that there are 176 eligible census blocks comprising 690 locations in Wyoming that make up the Assigned Census Blocks. Application at 3, Exh. A.

<sup>&</sup>lt;sup>3</sup> See 47 U.S.C. § 214; 47 CFR §§ 63.03-04. On February 24, 2022, Applicants filed a supplement to the Application. Letter from Stephen E. Coran, Counsel for Applicants, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-52 (Feb. 24, 2022) (Supplement). Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

<sup>&</sup>lt;sup>4</sup> Application at 2-3 (citing Wyoming Public Service Commission, Docket No. 62122-1-RA-18, Order No. 25383 (Feb. 14, 2019) (designating Commnet as an ETC for the Assigned Census Blocks)).

Commnet.<sup>5</sup> During the CAF Phase II Auction (Auction 903), Commnet won the rights to service the Assigned Census Blocks.<sup>6</sup> Applicants state that "[a]t present, there are no local subscribers of Commnet in the Assigned Census Blocks."<sup>7</sup>

Vistabeam, a Nebraska LLC, is a voice and broadband provider and ETC in Wyoming. <sup>8</sup> It currently provides fixed wireless and fiber-to-the-home services in Wyoming, Nebraska, and Colorado. <sup>9</sup> Matthew M. Larsen, a U.S. Citizen, and the Dallas L. Larsen Trust (Trust), a Family Trust, own 80% and 10%, respectively, of Vistabeam. <sup>10</sup> During the CAF Phase II Auction, Vistabeam won the rights to service 467 census blocks in Wyoming. <sup>11</sup> Applicants state that "Vistabeam has expended CAF support funds in connection with deployment in its CAF-supported area, and expects to meet the 40 percent buildout milestone well ahead of the three-year milestone deadline."

Pursuant to the terms of the proposed transaction, Commnet will assign to Vistabeam, with respect to the Assigned Census Blocks: (a) a portion of Commnet's accumulated CAF II support and its entitlement to receipts of all future CAF II support; <sup>13</sup> and (b) all of Commnet's obligations associated with the receipt of CAF II support, subject to required federal and state regulatory approvals. <sup>14</sup>

<sup>&</sup>lt;sup>5</sup> Application at 2, 9. Cornelius B. Prior, a U.S. citizen, and Blackrock, Inc., a Delaware corporation, own 26.4% and 11%, respectively, of ATN. *Id.* at 9.

<sup>&</sup>lt;sup>6</sup> *Id.* at 3 (citing *Connect America Fund Phase II Auction Support Authorized for 459 Winning Bids*, AU Docket No. 17-182, WC Docket No. 10-90, Public Notice, 34 FCC Rcd 3142, 3147 and Attach. A (Authorized Long-Form Applicants and Winning Bids) (WCB/OEA 2019) (listing Commnet as a winning bidder in Wyoming and several other states and stating that ETCs seeking to transfer control of their domestic authorizations to operate pursuant to section 214 of the Act, or to engage in the sale of assets under section 214 must first receive approval from the Commission in accordance with sections 63.03 and 63.04 of the Commission's rules governing the procedures for domestic transfer of control/asset applications)).

<sup>&</sup>lt;sup>7</sup> Application at 2. Applicants state that Commnet's assigned CAF II support amount over 10 years in Wyoming is \$2,446,067.40. *Id.* at 3.

<sup>&</sup>lt;sup>8</sup> *Id.* at 3 (citing Wyoming Public Service Commission, Docket No. 62127-1-RA-18, Order No. 25384 (Feb. 14, 2019) (designating Vistabeam as an ETC)).

<sup>&</sup>lt;sup>9</sup> Application at 3.

<sup>&</sup>lt;sup>10</sup> Application at 10. The beneficiaries of the Trust are Matthew M. Larsen, Melissa Schneider, Lex Larsen, Erica Larsen-Dockray, and Patricia Larsen. All of the beneficiaries are United States citizens. The trustees of the Trust are Melissa Schneider and Patricia A. Larsen. No other individual or entity holds 10% or more of Vistabeam. *Id.* 

<sup>&</sup>lt;sup>11</sup> *Id.* at 3. *See Connect America Fund Phase II Auction Support Authorized For 387 Winning Bids*, AU Docket No. 17-182, WC Docket No. 10-90, Public Notice, 34 FCC Rcd 9406, Attach. A (Authorized Long Form Applicants and Winning Bids) (WCB/OEA 2019). In addition, Vistabeam won the rights to service 112 census blocks in Colorado and one census block in Nebraska. Application at 3. Vistabeam's assigned CAF II support amount over 10 years is \$5,240,646.20 for 1,692 locations in the three states. *Id.* 

<sup>&</sup>lt;sup>12</sup> Application at 3-4.

<sup>&</sup>lt;sup>13</sup> Supplement, Attach. at paras. 4-5 (Additional Certification of Jeffrey Humiston, General Counsel of Commnet) (describing CAF Phase II funds that Commnet intends to retain to cover eligible expenses already incurred).

<sup>&</sup>lt;sup>14</sup> Application at 1-2. Applicants state that Vistabeam will retain its current CAF obligations in addition to assuming Commnet's CAF obligations in the Assigned Census Blocks and that Vistabeam is not acquiring any of Commnet's telecommunications assets, services, or customers outside the CAF-supported areas. *Id.* at 2,

Applicants assert that a grant of the Application would serve the public interest, convenience, and necessity.<sup>15</sup> Following the consummation of the proposed transaction, Applicants state that "no carrier change charges will result from the transaction, and no customer service or billing contact information will change as a result of the transaction." Applicants maintain that "Vistabeam has both the necessary industry experience and requisite financial means to take on the responsibility of deploying CAF-supported voice and broadband service in the Assigned Census Blocks."<sup>17</sup> Applicants assert that "[s]ince becoming authorized to receive CAF support, Commnet realized that the Assigned Census Blocks might be served in a more expeditious and cost-effective manner by Vistabeam given its proximity to Commnet's CAF-supported areas, its existing operations, resources and infrastructure, and its ahead-of-schedule deployment of its own CAF obligations,"18 They further state that "[b]ecause Comment's CAF areas are adjacent to or nearby Vistabeam's existing operations and Vistabeam's CAF-supported areas, Vistabeam can achieve economies of scale and leverage its labor force, infrastructure and operational capabilities to rapidly and cost-effectively build out the Commnet CAF areas as it expands its broadband operations."19 According to the Applicants, because "Vistabeam is not taking on any debt repayment obligations or otherwise increasing substantially its costs to deploy service . . . the transaction will not compromise Vistabeam's ability to meet the buildout milestones or performance obligations for either its CAF deployment or the deployment in the Assigned Census Blocks."20

Because the proposed transaction involves the exchange and assumption of Universal Service Fund high-cost mechanism obligations, we accept the Application for non-streamlined processing to sufficiently analyze whether the proposed transaction would serve the public interest.<sup>21</sup>

Domestic Section 214 Application Filed for the Transfer of Certain Authorizations of Commnet Four Corners, LLC to Inventive Wireless of Nebraska, LLC dba Vistabeam, WC Docket No. 22-52 (filed Feb. 3, 2022).

## **GENERAL INFORMATION**

The application identified herein has been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies.

Interested parties may file comments on or before March 14, 2022, and reply comments on or before March 21, 2022. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by paper.

<sup>12.</sup> Applicants further state that, as a condition to each receiving CAF support, both Commnet and Vistabeam have been designated as ETCs and that, "[i]n connection with [this] transaction, the Applicants are filing for [Wyoming Commission] approval for Commnet to relinquish its Wyoming ETC designation for the Assigned Census Blocks and for Vistabeam to expand its ETC designation to cover the Assigned Census Blocks." *Id.* at 4-5.

<sup>&</sup>lt;sup>15</sup> Application at 5-8.

<sup>&</sup>lt;sup>16</sup> *Id*. at 5.

<sup>&</sup>lt;sup>17</sup> *Id*. at 6.

<sup>&</sup>lt;sup>18</sup> *Id.* at 6-7.

<sup>&</sup>lt;sup>19</sup> *Id*. at 7.

<sup>&</sup>lt;sup>20</sup> *Id.*; see id. at Attach. (Certification of Matthew Larsen, CEO of Vistabeam).

<sup>&</sup>lt;sup>21</sup> 47 CFR § 63.03(c)(1)(v).

- Electronic Filers: Comments may be filed electronically by accessing ECFS at <a href="http://apps.fcc.gov/ecfs/">http://apps.fcc.gov/ecfs/</a>.
- Paper Filers: Parties who choose to file by paper must file an original and one copy of each
  filing. If more than one docket or rulemaking number appears in the caption of this
  proceeding, filers must submit two additional copies for each additional docket or
  rulemaking number.
  - Filings can be sent by commercial overnight courier or by first-class or overnight U.S. Postal Service mail.<sup>22</sup> All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.
  - Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.
     U.S. Postal Service first-class, Express, and Priority mail must be addressed to 45 L Street, NE, Washington, DC 20554.

People with Disabilities: We ask that requests for accommodations be made as soon as possible in order to allow the agency to satisfy such requests whenever possible. Send an email to <a href="fcc504@fcc.gov">fcc504@fcc.gov</a> or call the Consumer and Governmental Affairs Bureau at (202) 418-0530.

## In addition, e-mail one copy of each pleading to each of the following:

- 1) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, <a href="mailto:tracey.wilson@fcc.gov">tracey.wilson@fcc.gov</a>;
- 2) Christi Shewman, Competition Policy Division, Wireline Competition Bureau, christi.shewman@fcc.gov;
- 3) Jim Bird, Office of General Counsel, jim.bird@fcc.gov

The proceeding in this Notice shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules. Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written

policy.

4

<sup>&</sup>lt;sup>22</sup> Effective March 19, 2020, and until further notice, the Commission no longer accepts any hand or messenger delivered filings. This is a temporary measure taken to help protect the health and safety of individuals, and to mitigate the transmission of COVID-19. *See FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Policy*, Public Notice, 35 FCC Rcd 2788 (Mar. 19, 2020), <a href="https://www.fcc.gov/document/fcc-closes-headquarters-open-window-and-changes-hand-delivery-policy">https://www.fcc.gov/document/fcc-closes-headquarters-open-window-and-changes-hand-delivery-policy</a>.

ex parte presentations and must be filed consistent with rule 1.1206(b), 47 CFR § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission's ex parte rules.

To allow the Commission to consider fully all substantive issues regarding the application in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their initial filings. New issues may not be raised in responses or replies.<sup>23</sup> A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

For further information, please contact Tracey Wilson at (202) 418-1394 or Christi Shewman at (202) 418-0646, Wireline Competition Bureau.

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<sup>&</sup>lt;sup>23</sup> See 47 CFR § 1.45(c).